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Information for Decisions™

Forecast Calendar

September 7, 2012

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 10 – September 21, 2012

10

11

12

Industrial Production (SA) (11:00)

	M/M	Y/Y
Jun	-0.6%	-2.1%
Jul (f)	**unch**	**-3.3%**
Jul (c)	**-0.2%**	**-3.4%**

EU Commission to present banking sector reform proposals

13

ECB Monthly Bulletin (Sep) (10:00)

14

Harmonized Index of Consumer Prices, Final (11:00)

	M/M	Y/Y
Jul	-0.5%	2.4%
Aug (p)		**2.6%**
Aug (f)	**0.4%**	**2.6%**
Aug (c)	**0.4%**	**2.6%**

Employment (Q2) (11:00)

EU Finance Ministers meeting in Cyprus

17

Trade Balance (Euro billion) (NSA) (11:00)

	'11/12	'10/11
May	7.1	-0.9
Jun	14.9	0.2
Jul (f)	**11.0**	2.1

Labor Costs (Q2) (11:00)

18

New Car Registrations (Aug) (8:00)

19

Construction Output (Jul) (11:00)

20

Purchasing Managers' Index Manufacturing, Flash (10:00)

Apr	45.9	Jul	44.0
May	45.1	Aug	45.1
Jun	45.1	**Sep (f)**	**45.0**

Service Sector Purchasing Managers Survey, Flash (10:00)

Apr	46.9	Jul	47.9
May	46.7	Aug	47.2
Jun	47.1	**Sep (f)**	**47.8**

Consumer Confidence, Flash (Sep) (16:00)

21

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

3

Purchasing Managers' Index Manufacturing, Final (10:00)

Mar	47.7	Jun	45.1
Apr	45.9	Jul	44.0
May	45.1	Aug	45.1

4

Producer Prices (NSA) (11:00)

	M/M	Y/Y
May	-0.5%	2.3%
Jun	-0.5%	1.8%
Jul	0.4%	1.8%

5

Service Sector Purchasing Managers Survey, Final (10:00)

Mar	49.2	Jun	47.1
Apr	46.9	Jul	47.9
May	46.7	Aug	47.2

Retail Sales (SA) (11:00)

	M/M	Y/Y
May	0.9%	-0.7%
Jun	0.1%	-0.9%
Jul	-0.2%	-1.7%

6

Gross Domestic Product, Second Estimate, (SA) (11:00)

	Q/Q	Y/Y
QIV'11	-0.3%	0.6%
QI'12	unch	unch
QII'12	-0.2%	-0.5%

ECB Governing Council meeting (decision at 13:45)
(bond purchase plan detailed alongside updated economic forecasts)
Press conference at 14:30

7

Key potential market-moving indicators and events include: Industrial Production (Wed. Sep. 12, 11:00 a.m.) and Harmonized Consumer Prices (Fri. Sep. 14, 11:00 a.m.). In the following week, there is the Visible Trade Balance (Mon. Sep. 17, 11:00 a.m.) and the flash Manufacturing and Services Purchasing Managers Indexes (Thu. Sep. 20, 10:00 a.m.).

Eurozone **industrial production** fell afresh in June, dropping after the rise in May. Flash numbers for August saw **HICP inflation** rise to a five-month high. Seasonally adjusted **trade** data showed a larger surplus in June. The final August **manufacturing PMI** improved, exactly unwinding the drop seen in the previous month. The final **services PMI** dropped, now up only a notch from May when the index hit a seven-month low.

Indicator	Forecast	Consensus	Analysis
Industrial Production (SA)			
M/M	unch	-0.2%	Will German resilience occur elsewhere?
Y/Y	-3.3%	-3.4%	
Consumer Prices – HICP (Final) (NSA)			
M/M	0.4%	0.4%	No revision envisaged.
Y/Y	2.6%	2.6%	
Visible Trade (NSA)	€ 11.0 bln		Oil bill rises.
Purchasing Managers' Index (SA) – Flash			
- Manufacturing	45.0		Still very weak, Q3 reading at cycle-low..
Purchasing Managers' Index (SA) – Flash			
- Services	47.8		Moving sideways.

Post Mortem—Prior Week Results

Manufacturing in Clearer Firing Line. The final August manufacturing PMI came in 0.2 point below the flash estimate, albeit still showing something of a bounce. Specifically, the manufacturing PMI improved 1.1 points from July to 45.1, exactly unwinding the drop seen in the previous month.

Fresh Rise in Producer Prices. July producer prices rose afresh. Prices actually increased 0.4% M/M, largely due to a recovery in energy costs, with the ex-energy measure up just a notch.

Retail Sales Weakness Continues. Real retail sales fell afresh in July, dropping 0.2% in M/M terms, unwinding some of the gains seen in the two preceding months when the index recovered from a distorted but clear April slump.

Continued Contraction. The final services PMI dropped 0.7 point to 47.2, 0.3 point below the flash estimate and now up only half a point from May when the index hit a seven-month low.

GDP Contracts Modestly. According to revised data and matching the flash estimate Q2 Eurozone GDP numbers failed to echo the very downbeat messages from business survey data seen in the last few months. Indeed, GDP fell 0.2% in Q/Q terms.

Rates Unchanged, Draghi Spells out Bond Program Terms. The ECB Council kept all its rates on hold after its September council meeting.

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Forecast Calendar

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United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

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September 10 – September 21, 2012

10

REC/KPMG Report on Jobs (Aug) (00:01)

11

RICS House Price Survey (Aug) (00:01)

Visible Trade Balance, Global (SA) (£ Million) (9:30)

May	-8364	**Jul (f)**	**-9500**
Jun	-10119	**Jul (c)**	**-9000**

BoE (New) MPC Member McCafferty testifies before Parliamentary Committee (10:00)

12

Claimant Count Unemployment, (Change Thousands) (SA) (9:30)

Jun	1.0	**Aug (f)**	**7.0**
Jul	-5.9	**Aug (c)**	**0.0**

ILO Unemployment Rate (3 months ending, %) (9:30)

May	8.1	**Jul (f)**	**8.0**
Jun	8.0	**Jul (c)**	**8.0**

Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30)

May	1.5	**Jul (f)**	**1.4**
Jun	1.6	**Jul (c)**	**1.5**

13

BoE Quarterly Bulletin (Q3) (00:01)

14

Construction Output (Jul) (9:30)

17

Rightmove House Prices (Sep) (00:01)

18

Consumer Price Index (CPI) (NSA) (9:30)

	M/M	Y/Y
Jun	-0.4%	2.4%
Jul	0.1%	2.6%
Aug (f)	**0.6%**	**2.6%**

Retail Prices (NSA) (9:30)

	M/M	Y/Y
Jun	-0.2%	2.8%
Jul	0.1%	3.2%
Aug (f)	**0.6%**	**3.1%**

Retail Prices, Underlying (RPIX) (NSA) (9:30)

	M/M	Y/Y
Jun	-0.3%	2.8%
Jul	0.1%	3.2%
Aug (f)	**0.6%**	**3.1%**

House Price Index (Jul) (9:30)

19

Minutes of the Bank of England Monetary Policy Committee Meeting (September 5-6) (9:30)

20

Retail Sales (Volume, SA) (9:30)

(Inc. Fuels)	M/M	Y/Y
Jun	0.8%	2.6%
Jul	0.3%	2.8%
Aug (f)	**-0.5%**	**2.7%**

CBI Industrial Trends Monthly Survey (Sep) (11:00)

21

Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30)

	'11/'12	'10/'11
Jun	14.6	13.9
Jul	0.6	-2.8
Aug (f)	**15.5**	14.6

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

3

Purchasing Managers' Survey - Manufacturing (SA) (9:30)

Mar	51.9	Jun	48.4
Apr	50.2	Jul	45.2
May	45.9	Aug	49.5

4

BRC Retail Sales Monitor (Aug) (00:01)

Purchasing Managers' Survey – Construction (SA) (Aug) (9:30)

5

BRC Shop Price Index (Aug) (00:01)

Purchasing Managers' Survey - Services (SA) (9:30)

Mar	55.3	Jun	51.3
Apr	53.3	Jul	51.0
May	53.3	Aug	53.7

Narrow Money & Reserve Balances (Jul) (9:30)

6

HBOS House Prices (Aug) (8:00)

Bank of England MPC meeting (rate announcement 12 noon – *no change)*

New Car Registrations (Aug)

Friday 7 September Continued...

PPI Input (NSA) (9:30)

	MM	Y/Y
Jun	-2.2%	-2.2%
Jul	0.4%	-2.4%
Aug	2.0%	1.4%

BoE Inflation Attitudes Survey (Aug) (9:30)

7

Manufacturing Production (SA) (9:30)

	MM	Y/Y
May	1.4%	-1.2%
Jun	-2.9%	-3.9%
Jul	3.2%	-0.5%

Industrial Production (SA) (9:30)

	M/M	Y/Y
May	1.2%	-1.5%
Jun	-2.4%	-3.8%
Jul	2.9%	-0.8%

PPI Output (NSA) (9:30)

	MM	Y/Y
Jun	-0.6%	2.0%
Jul	0.1%	1.8%
Aug	0.5%	2.2%

PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30)

	MM	Y/Y
Jun	-0.2%	1.7%
Jul	-0.1%	1.2%
Aug	0.1%	1.2%

Indicator Highlights

United Kingdom

Key potential market-moving indicators and events include: the Trade Balance (Tue. Sep. 11, 9:30 a.m.) and the Labor Market Report – including unemployment and average earnings details – (Thu. Sep. 12, 9:30 a.m.). In the following week, there are Consumer Prices (Tue. Sep. 18, 9:30 a.m.), Retail Sales (Thu. Sep. 20, 9:30 a.m.) and Public Sector Net Borrowing (Fri. Sep. 21, 9:30 a.m.).

The total **visible trade** deficit was up in June from the gap in the previous month. Claimant count **unemployment** fell in July, more than unwinding the gain seen in June. Average weekly **earnings** growth edged up in the three months to June. July **consumer price inflation** rose afresh. Real **retail sales** (including fuels) rose further in July, accentuating the bounce seen in June. **Public sector net borrowing** excluding financial sector interventions rose in July in contrast to the repayment in the same month of last year.

Indicator	Forecast	Consensus	Analysis
Visible Trade Balance, Global (SA)	-£ 9500 mln	-£ 9000 mln	June distortions unwinding.
Claimant Count Unemployment (SA) M/M (change, thousands)	7.0	0.0	Trend unclear.
ILO Unemployment Rate (SA)	8.0%	8.0%	Stabilizing?
Headline Average Earnings (Y/Y)	1.4%	1.5%	Still below CPI inflation.
CPI (NSA) M/M Y/Y	 0.6% 2.6%		Higher fuel prices evident.
RPI (NSA) M/M Y/Y	 0.6% 3.1%		Downtrend still discernible.
Retail Sales (Volumes, SA) M/M Y/Y	 -0.5% 2.7%		First M/M fall in four months.
Public Sector Net Borrowing (NSA)	£ 15.5 bln		Y/Y deterioration continues.

Post Mortem—Prior Week Results

Manufacturing Contraction Much Less Sharp? The headline manufacturing PMI jumped 4.3 points to 49.5 in August, thereby more than unwinding the July slump which had resulted in the lowest reading since May 2009.

Sluggish Sales Despite Olympics. According to the British Retail Consortium, like-for-like nominal Y/Y store sales growth slowed further in August, with the growth rate turning negative at -0.4% compared to the meager 0.1% July result.

Construction Sector Falters? The construction PMI fell 1.9 points in August to 49.0, thereby unwinding much of July bounce from a June reading of 48.2 which was the lowest since late-2009.

Services Recover. The August services PMI actually rose 2.7 points to 53.7, thereby swinging from a 19-month low to the highest reading since March, ie before the gamut of major distortions that have affected activity in the last few months.

Shop Price Inflation Edges back Up. According to the BRC, August shop price inflation increased 0.1 percentage point to 1.1% Y/Y, exactly reversing the slide seen in July when the overall figure hit the lowest since November 2009.

House Prices Fall Further. There was a further fall in the latest house price data from HBOS. These showed house prices sliding 0.4% M/M in August, accentuating the 0.7% correction seen in the previous month.

Manufacturing Storms Back! July manufacturing output jumped 3.2% M/M, more than unwinding the little-revised slump of 2.9% seen in the previous month.

Fuel Pushes Up Factory Costs. Producer output prices for August jumped 0.5% in M/M terms, up from the 0.1% July rise and both a contrast to the falls of the previous two months.

Inflation Expectations Fall Back. According to the latest quarterly BoE/GfK NOP inflation attitudes survey (polled through August), household inflation expectations (one year ahead) dropped somewhat, easing 0.5 percentage point to 3.2%, actually the lowest since early-2010.

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Forecast Calendar

September 7, 2012

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 10 – September 21, 2012

10	11	12	13	14
BoF Business Sentiment Survey (Jul) (8:45) Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y Jun unch -2.3% **Jul (f) -0.3% -4.0%** **Jul (c) -0.6% -4.3%** Manufacturing Production (SA) (8:45) M/M Y/Y Jun 0.1% -2.6% **Jul (f) -0.2% -3.4%** **Jul (c) -0.5% -3.7%**	Salaried Employment, Final (SA) (8:45) Q/Q Y/Y QI'12 0.1% 0.2% **QII'12 (p) -0.1% -0.2%** **QII'12 (f) -0.1% -0.2%** **QII'12 (c) -0.1% -0.2%**	Consumer Prices (NSA) (7:30) M/M Y/Y Jul -0.4% 1.9% **Aug (f) 0.5% 2.0%** **Aug (c) 0.5% 2.0%**		
17	**18**	**19**	**20**	**21**
			Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Apr 46.9 Jul 43.4 May 44.7 Aug 46.0 Jun 45.2 **Sep (f) 46.3** Purchasing Managers' Index Services, Flash (SA) (9:00) Apr 45.2 Jul 50.0 May 45.1 Aug 49.2 Jun 47.9 **Sep (f) 50.0**	Wages, Final (Q2) (8:45)

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

3	4	5	6	7
Purchasing Managers' Index Manufacturing, Final (SA) (9:50) Mar 46.7 Jun 45.2 Apr 46.9 Jul 43.4 May 44.7 Aug 46.0 New Car Registrations (Aug)		Purchasing Managers' Index Services, Final (SA) (9:50) Mar 50.1 Jun 47.9 Apr 45.2 Jul 50.0 May 45.1 Aug 49.2	Unemployment (Q2) (7:30) ECB Governing Council meeting (decision at 13:45) *(bond purchase plan detailed alongside updated economic forecasts)* *Press conference at 14:30*	Visible Trade Balance (SA) (8:45) (Euro Billion) Feb -6.38 May -5.63 Mar -5.69 Jun -6.07 Apr -6.20 Jul -4.27 Central Government Budget (Jul) (8:45)

Key potential market-moving indicators and events include: Industrial Production (Mon. Sep. 10, 8:45 a.m.), the final estimate for Salaried Employment (Tue. Sep. 11, 8:45 a.m.) and Consumer Prices (Wed. Sep. 12, 7:30 a.m.). In the following week, there are the flash Manufacturing and Services PMIs (Thu. Sep. 20, 9:00 a.m.).

Manufacturing output edged up in M/M terms in June, stabilizing after the drop seen in the previous month. Preliminary data for Q2 showed **(non-farm) employment** slipping afresh, with the decrease exactly reversing the positive swing seen in the previous quarter. Headline **CPI inflation** was unchanged in July, still the lowest since last July. The August final **manufacturing PMI** rose, more than unwinding the fall seen in July and now a four-month high. The final **services PMI** for August fell, unwinding some of the gains seen in the two previous months.

Indicator	Forecast	Consensus	Analysis
Industrial Production (SA)			
M/M	-0.3%	-0.6%	Further fall.
Y/Y	-4.0%	-4.3%	
Salaried Employment (SA) – Final			
Q/Q	-0.1%	-0.1%	No revision envisaged.
Y/Y	-0.2%	-0.2%	
Consumer Prices (NSA)			
M/M	0.5%	0.5%	Higher energy prices.
Y/Y	2.0%	2.0%	
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	46.3		Still very soft.
Purchasing Managers' Index (SA)			
- Services – Flash	50.0		Moving sideways?

Post Mortem—Prior Week Results

Less Weak Survey Messages. The August final manufacturing PMI rose by 2.6 points to 46.0, more than unwinding the fall seen in July and now a four-month high, albeit a couple of notches below the flash estimate.

Services Weakness Returns. Showing a clear downward revision of 1.0 point from the flash estimate, the final services PMI for August now shows correction back in sentiment occurred last month. Indeed, the services PMI fell 0.8 point to 49.2, unwinding some of the gains seen in the two previous months.

Exports Recover Modestly. The July trade gap narrowed markedly and by more than expected, to a deficit of € 4.27 bln from a shortfall of € 6.07 bln in June.

Budget Deficit Narrows. The July central government budget balance showed a cumulative deficit of € 58.54 bln, down from a € 86.57 bln shortfall seen in the first seven months of last year.

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Forecast Calendar

September 7, 2012

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 10 – September 21, 2012

10

11

Wholesale Price Index (NSA) (8:00)

	M/M	Y/Y
Jun	-1.1%	1.1%
Jul	0.3%	2.0%
Aug (f)	**0.3%**	**2.2%**

12

Cost-of-Living, Final (NSA) (8:00)

	M/M	Y/Y
Jul	0.4%	1.7%
Aug (p)	**0.3%**	**2.0%**
Aug (f)	**0.3%**	**2.0%**
Aug (c)	**0.3%**	**2.0%**

Constitutional Court rules on the European Stability Mechanism

13

14

17

18

ZEW Financial Experts Survey (Sep) (11:00)

19

20

Producer Prices (NSA) (8:00)

	M/M	Y/Y
Jun	-0.4%	1.6%
Jul	unch	0.9%
Aug (f)	**0.7%**	**1.8%**

Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30)

Apr	46.2	Jul	43.0
May	45.2	Aug	44.7
Jun	45.0	**Sep (f)**	**44.5**

Purchasing Managers' Survey Services, Flash (SA) (9:30)

Apr	52.2	Jul	50.3
May	51.8	Aug	48.3
Jun	49.9	**Sep (f)**	**49.0**

21

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

3

Purchasing Managers Survey Manufacturing, Final (SA) (9:45)

Mar	48.4	Jun	45.0
Apr	46.2	Jul	43.0
May	45.2	Aug	44.7

4

5

Purchasing Managers Survey Services, Final (SA) (9:45)

Mar	52.1	Jun	49.9
Apr	52.2	Jul	50.3
May	51.8	Aug	48.3

6

Manufacturing Orders, (M/M) (SA), (12 noon)

Feb	0.6%	May	0.8%
Mar	2.7%	Jun	-1.6%
Apr	-1.2%	Jul	0.5%

ECB Governing Council meeting (decision at 13:45)
(bond purchase plan detailed alongside updated economic forecasts)
Press conference at 14:30

7

Trade Balance (NSA) (Euro billion) (8:00)

	2012	2011
May	15.6	14.6
Jun	18.0	12.5
Jul	16.9	10.4

Current Account (NSA) (Euro billion) (8:00)

	2012	2011
May	8.1	7.4
Jun	18.5	11.0
Jul	12.8	8.3

Industrial Production (M/M) (SA) (12 noon)

Apr	-2.3%	Jun	-0.4%
May	1.7%	Jul	1.3%

Manufacturing & Mining Output (M/M) (SA), (12 noon)

Apr	-2.3%	Jun	-0.8%
May	2.0%	Jul	1.7%

Labor Costs (Q1-Q2) (8:00)

Key potential market-moving indicators and events include: Wholesale Prices (Tue. Sep. 11, 8:00 a.m.) and final Consumer Prices (Wed. Sep. 12, 8:00 a.m.). In the following week, there are Producer Prices (Thu. Sep. 20, 8:00 a.m.) and the flash Manufacturing and Services PMIs (Thu. Sep. 20, 9:30 a.m.).

Wholesale prices rose in M/M terms in July, the first rise in three months. According to the preliminary estimate, August **CPI inflation** rose to a four-month high. July **producer prices** were flat in M/M terms following two successive falls previous months. The August **manufacturing PMI** rose, largely unwinding the fall in the previous month. The final **services PMI** for August confirmed the flash reading, sliding to a 37-month low.

Indicator	Forecast	Consensus	Analysis
Wholesale Prices (NSA)			
M/M	0.3%		Higher energy prices.
Y/Y	2.2%		
Consumer Prices – Final (NSA)			
M/M	0.3%	0.3%	Break-down detailed.
Y/Y	2.0%	2.0%	
Producer Prices (NSA)			
M/M	0.7%		Energy-driven rise.
Y/Y	1.8%		
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	44.5		July jump pared back.
Purchasing Managers' Index (SA)			
- Services – Flash	49.0		Sector still contracting.

Post Mortem—Prior Week Results

Less Soft Survey Messages. The August final PMI numbers largely confirmed the flash message. Specifically, the manufacturing PMI rose by 1.7 points to 44.7, largely unwinding the fall in the previous month but down 0.4 point on the flash figure.

Softer Services. The final services PMI for August confirmed the flash reading, sliding 3.0 points to 48.3, now a 37-month low, with the business expectations part of the survey still showing firms downbeat about their year-ahead prospects.

Orders Bounce Back Modestly. Manufacturing orders rose afresh in July, albeit with the 0.5% M/M rise unwinding little of the (largely unrevised) 1.7% drop seen in June.

Industrial Production Jumps Back. July industrial production jumped back 1.3% M/M, more than unwinding the pared back drop of 0.4% seen in the previous month.

Exports Edge Back Up. The July (unadjusted) trade surplus widened to € 16.9 bln from € 10.4 bln in the same month of last year, but down from the € 18.0 bln June reading.

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Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 10 – September 21, 2012

10	11	12	13	14
Gross Domestic Product, Second Estimate (SA) (11:00) Q/Q Y/Y QI'12 -0.8% -1.4% **QII'12 (p) -0.7% -2.5%** **QII'12 (f) -0.7% -2.5%** **QII'12 (c) -0.7% -2.5%**		Industrial Production* (10:00) M/M Y/Y Jun -1.4% -8.2% **Jul (f) unch -8.0%** **Jul (c) -0.5% -7.6%**	NIC Consumer Prices, Final, (NSA) (11:00) M/M Y/Y Jul 0.1% 3.1% **Aug (p) 0.4% 3.2%** **Aug (f) 0.4% 3.2%** **Aug (c) 0.4% 3.2%**	
17	**18**	**19**	**20**	**21**
Visible Trade Balance, Global (NSA) (Euro billion) (11:00) '11/12 '10/11 May 1.0 -2.2 Jun 2.5 -1.7 **Jul (f) 1.8** 1.5			Industrial Orders (NSA) (Y/Y) (10:00) Jan -5.6% Apr -12.3% Feb -13.2% May -9.4% Mar -14.3% **Jun/Jul (f) -11.0%**	

* M/M is seasonally-adjusted and working day adjusted. Y/Y is not seasonally adjusted but working-day adjusted.

Q/Q=quarter-over-quarter
Y/Y=year-over-year
M/M=month-over-month

r=revised
c=consensus
f=forecast

Recent History-Latest Results

3	4	5	6	7
Purchasing Managers' Survey Manufacturing (SA) (9:45) Mar 47.9 Jun 44.6 Apr 43.8 Jul 44.3 May 44.8 Aug 43.6 New Car Registrations (Aug)		Purchasing Managers Survey Service (SA) (9:45) Mar 44.3 Jun 43.1 Apr 42.3 Jul 43.0 May 42.8 Aug 44.0	ECB Governing Council meeting (decision at 13:45) *(bond purchase plan detailed alongside updated economic forecasts)* *Press conference at 14:30*	

Key potential market-moving indicators and events include: the second estimate of Q2 Gross Domestic Product (Mon. Sep. 10, 11:00 a.m.), Industrial Production (Wed. Sep. 12, 10:00 a.m.) and final Consumer Prices (Thu. Sep. 13, 11:00 a.m.). In the following week, there is the Global Trade Balance (Mon. Sep. 17, 11:00 a.m.) and Industrial Orders (Thu. Sep. 20, 10:00 a.m.).

Q2 GDP decreased according to preliminary data, accentuating the drop of the previous quarter but in line with the Q4 fall. June **industrial production** dropped afresh, with the fall more than offsetting the May bounce. Preliminary data showed that **consumer price inflation** increased in August, up from a July reading which had been the lowest in almost a year. The (unadjusted) June **trade balance** showed a swing into surplus from the deficit seen in the same month of 2011. Data for May showed that **industrial orders** fell, albeit a slightly less steep drop than the decline seen in April.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product, 2nd Estimate (SA)			
Q/Q	-0.7%	-0.7%	Breakdown detailed.
Y/Y	-2.5%	-2.5%	
Industrial Production*			
M/M	unch	-0.5%	Further weakness.
Y/Y	8.0%	-7.6%	
Consumer Prices – Final (NSA)			
M/M	0.4%	0.4%	No revision expected.
Y/Y	3.2%	3.2%	
Trade Balance – Global	€ 1.8 bln		Non-EU trade in clear surplus.
Industrial Orders (NSA)			
Y/Y	-11.0%		Clear weakness continues.

* M/M is seasonally-adjusted and working day adjusted. Y/Y is not seasonally adjusted but working-day adjusted.

Post Mortem—Prior Week Results

Manufacturing Contraction Slightly More Acutely. The manufacturing PMI slipped back a little further in August. Indeed, it eased 0.7 point to 43.6, a 10-month low.

Less Steep Contraction in Services? The August services PMI rose by exactly one point to 44.0, the third rise in four months.

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Forecast Calendar

September 7, 2012

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

September 10 – September 21, 2012 (Local Times)

10

Real GDP Revised (Q/Q) (8:50)

11:Q2	-0.5%	12:Q1	1.3%
11:Q3	1.8%	12:Q2 (p)	0.3%
11:Q4	0.1%	**12:Q2 (f)**	**0.3%**

Bank Lending (Y/Y) (8:50)

Mar	0.7%	Jun	0.6%
Apr	0.2%	Jul	0.7%
May	0.2%	**Aug (f)**	**0.7%**

Current Account Balance (¥Billion, NSA) (8:50)

	2012	2011
May	215.1	574.4
Jun	433.3	538.9
Jul (f)	**375.0**	1053.7

Current Account Visible Trade (¥Billion, NSA) (8:50)

	2012	2011
May	-844.2	-771.3
Jun	112.0	129.9
Jul (f)	**-450.0**	141.8

11

Money Supply (M2) (Y/Y) (8:50)

Mar	3.0%	Jun	2.2%
Apr	2.6%	Jul	2.2%
May	2.2%	**Aug (f)**	**2.2%**

MOF Business Outlook Survey (8:50) (Third Quarter)

12

Corporate Goods Price Index (Y/Y) (8:50)

Mar	0.3%	Jun	-1.4%
Apr	-0.4%	Jul	-2.1%
May	-0.7%	**Aug (f)**	**-2.0%**

Tertiary Industry Activity (SA) (M/M) (8:50)

Feb	unch	May	0.9%
Mar	-0.6%	Jun	0.1%
Apr	-0.2%	**Jul (f)**	**unch**

Machinery Orders, Core (SA) (8:50)

Feb	2.8%	May	-14.8%
Mar	-2.8%	Jun	5.6%
Apr	5.7%	**Jul (f)**	**2.0%**

13

14

Industrial Production (Revised) (SA) (M/M) (13:30)

Mar	1.3%	Jun	0.4%
Apr	-0.2%	Jul (p)	-1.2%
May	-3.4%	**Jul (f)**	**-1.2%**

17

Holiday

18

BOJ Monetary Policy Meeting

19

BOJ Monetary Policy Meeting

BOJ Shirakawa Press Conference (15:30)

20

Merchandise Trade Balance (¥Billion, NSA) (8:50)

	2012	2011
Jun	60.3	64.5
Jul	-517.4	69.7
Aug (f)	**-835.0**	-777.5

All Industry Activity (SA) (M/M) (13:30)

Feb	-0.1%	May	-0.2%
Mar	-0.3%	Jun	0.2%
Apr	0.1%	**Jul (f)**	**-0.3%**

BOJ Monthly Report (14:00) (September)

21

M/M=month-over-month f= forecast
Y/Y=year-over-year c=consensus

Recent History-Latest Results

3

MOF Corporate Financial Statistics (8:50) (Second Quarter)

Vehicle Sales (Y/Y) (14:00)

Mar	78.2%	Jun	40.9%
Apr	92.0%	Jul	36.1%
May	66.3%	Aug	7.3%

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Shirakawa Speech (14:00) (Tokyo, Yomiuri International Economic Society)

7

Official Reserves ($Billion, NSA) (8:50)

Mar	1288.7	Jun	1270.5
Apr	1289.5	Jul	1272.8
May	1277.7	Aug	1273.2

Business Conditions Composite Indexes (Prelim.) (14:00)

	Leading	Coincident
May	95.2	95.8
Jun	93.2	94.1
Jul	91.8	92.8

Indicator Highlights

Key potential market-moving indicators and events include: Real GDP (Revised) (Mon., Sep. 10, 8:50); Bank Lending (Mon., Sep. 10, 8:50); Corporate Goods Price Index (Wed., Sep. 12, 8:50); Tertiary Industry Activity (Wed., Sep. 12, 8:50); Machinery Orders, Core (Wed., Sep. 12, 14:00); Industrial Production (Revised) (Fri., Sep. 14, 13:30); the BOJ Monetary Policy Meeting (Tue., Wed., Sep. 18-19); and the Merchandise Trade Balance (Thu., Sep. 20, 8:50).

Revised GDP figures will incorporate refined estimates of business Capex—where continued confident expansion is a key issue. Bank lending results give an important update on credit flows, while. corporate goods prices are a key channel for global conditions and the yen to indirectly affect domestic inflation. Tertiary industry results reflect activity in the largest single production-side sector of the economy. Machinery orders give a fresh update on business willingness to commit to investment spending. Preliminary industrial production data surprised sharply to the weak side, so revisions will be watched for any amelioration of that shock.

Bank of Japan policymakers will confront evidence of a new manufacturing decline, and seriously debate a further stepping-up of asset purchases. Merchandise trade results will be watched for signs of further serious export deterioration.

Indicator	Forecast	Consensus	Analysis
Real GDP (Revised) (Q/Q)	+0.3%		No significant revision.
Bank Lending (Y/Y)	+0.7%		Continuing moderate growth.
Current Account Balance (NSA)	¥375.0 Billion		Strong income flows boost the total.
Current Account Visible Trade (NSA)	-¥450.0 Billion		
Money Supply (M2) (Y/Y)	+2.2%		Still too-slow growth.
Corporate Goods Price Index (Y/Y)	-2.0%		Imported input prices still a depressant.
Tertiary Industry Activity (SA) (M/M)	unch.		Trend-like growth.
Machinery Orders, Core (SA)	+2.0%		Modest rebound continues.
Industrial Production (Revised) (SA) (M/M)	-1.2%		Little revision, if any.
Merchandise Trade Balance (NSA)	-¥835.0 Billion		Relatively mild deterioration from disastrous year-ago number.
All Industry Activity (SA) (M/M)	-0.3%		Manufacturing-sector decline.

Post Mortem—Recent Data Results

Mixed Capex Signals. According to the latest Ministry of Finance (MoF) survey, capital spending increased by 7.7% Y/Y in Q2, a softer result than most expected but up on the increase than of 3.3% rise seen in Q1. The larger rise reflected increases on the non-manufacturing but particularly in the factory sector, albeit with Q/Q seasonally adjusted numbers actually showing a further overall correction back. Meanwhile, total sales growth turned negative, at -1.0%.

Vehicle Sales Growing Less Strongly. July data saw a twelfth successive positive reading in regard to vehicle sales, but a clearly slower pace. Indeed, sales rose by 7.3%, down from the 36.1% rise of the previous month. Subsidies and base effects help explain the swing.

Leading Index Falls Further. The preliminary leading index for July, as computed by the Cabinet Office, slumped 1.4 points (to 91.8), the second largest drop in what is now a run of four successive falls. Moreover, the coincident index fell 1.3 points (to 92.8), accentuating the slides seen in the three previous months. Even so, the Cabinet Office maintained its assessment of the economy, still saying the economy is marking time rather than improving.

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Forecast Calendar

September 7, 2012

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Pumphrey/Husby

September 10 –21, 2012

10

11

Housing Starts (8:15)
(Thousand, SAAR)

Apr	252.1	Jul	208.5
May	216.2	**Aug (f)**	**210.0**
Jun	222.1	**Aug (c)**	**200.5**

International Trade (8:30)
(Balance, C$ Billion, SA)

Mar	0.1	Jun	-1.8
Apr	-0.5	**Jul (f)**	**-0.5**
May	-1.0	**Jul (c)**	**-1.3**

12

13

Capacity Utilization (8:30)

11:Q4	80.5%	**12:Q2 (f)**	**80.5%**
12:Q1	80.7%	**12:Q2 (c)**	**81.2%**

14

Survey of Manufacturing (8:30)
(M/M) (SA)

	Ships.	Inv.	New Ord.
May	unch	1.2%	0.4%
Jun	-0.4%	-1.7%	1.7%
Jul (f)	**0.5%**	**0.2%**	**-1.0%**
Jul (c)	**0.5%**		

17

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21

Consumer Prices (7:00) (Y/Y)

	Total	BOC Core
May	1.2%	1.8%
Jun	1.5%	2.0%
Jul	1.3%	1.7%
Aug (f)	**1.5%**	**1.7%**

Wholesale Trade (8:30) (M/M)

(SA)	Sales	Inv.
Apr	1.2%	0.1%
May	0.9%	0.1%
Jun	-0.1%	0.4%
Jul (f)	**+0.4%**	**0.1%**

M/M=month-over-month Y/Y=year-over-year
f=forecast c=consensus p=preliminary
r= revised

Recent History-Latest Results

3

Holiday

4

5

Bank of Canada Rate Decision
(9:00)

6

7

Labor Force Survey (8:30)
Employment (Change, Thous., SA)

Mar	82.3	Jun	7.3
Apr	58.2	Jul	-30.4
May	7.7	Aug	34.3

Unemployment Rate (SA)

Mar	7.2%	Jun	7.2%
Apr	7.3%	Jul	7.3%
May	7.3%	Aug	7.3%

Productivity and Costs (8:30)
(Q/Q) (SA)

	Prod.	Comp.	ULC
11:Q3	0.7%	-0.1%	-0.8%
11:Q4	0.7%	1.5%	0.8%
12:Q1	unch	0.5%	0.4%
12:Q2	-0.4%	0.3%	0.7%

Building Permits (8:30)
(M/M) (SA)

Feb	7.7%	May	7.1%
Mar	4.9%	Jun	unch
Apr	-4.4%	Jul	-2.3%

Ivey Purchasing Managers' Survey
(10:00) (SA)

Mar	63.5	Jun	49.0
Apr	52.7	Jul	62.8
May	60.5	Aug	62.5

Indicator Highlights

Key potential market-moving indicators and events include: Housing Starts (Tues., Sept. 11, 8:15 a.m.); International Trade (Tues., Sept. 11, 8:30 a.m.); Capacity Utilization (Thurs., Sept. 13, 8:30 a.m.); the Survey of Manufacturing (Fri., Sept. 14, 8:30 a.m.); and the Consumer Price Index (Fri., Sept. 21, 8:30 a.m.).

Housing starts data likely show moderation from recent highs, however a building permits backlog will keep starts above their sustainable long-run pace. The International Trade Balance report likely will show another deficit, as decreasing global demand and a strong currency drag on Canadian exports. Capacity Utilization is a key indicator for the Bank of Canada, providing information on the amount of slack in the economy. The Survey of Manufacturing will be important in gauging the extent and nature of a pickup in activity.

Consumer prices will be impacted by a modest rise in gasoline prices, but the total CPI is still running well below the 2.0% y/y forecasted by the Bank of Canada for Q3.

Indicator	Forecast	Consensus	Analysis
Housing Starts (SAAR)	210,000 units	200,500 units	Low mortgage rates keep housing starts above projected long run level.
International Trade (Balance, SA)	-C$0.5 billion	-C$1.3 billion	Deficit narrows on rising energy prices.
Capacity Utilization	80.5%	81.2%	Slack unchanged.
Survey of Manufacturing (M/M) (SA)			
Shipments	+0.5%	+0.5%	Inventory building continues to slow in year-over-year terms.
Inventories	+0.2%		
New Orders	-1.0%		
Consumer Prices (Y/Y)			
Total	+1.5%		Gasoline prices higher month-on-month, and compared to weak year-ago base.
Core	+1.7%		
Wholesale Trade (M/M)			
Sales	+0.4%		Inventories to post eighth consecutive month of growth.
Inventories	+0.1%		

Post Mortem—Prior Week Results

As expected, BoC continues to hold policy rate. The Bank of Canada (BoC) maintained the overnight rate target at 1% where it has been since September 2010, on slowing global activity, downside risks in Europe, and inflation which is running below the 2% target. The BoC Policy Statement was identical to that of April and July with BoC governor Mark Carney suggesting a bias towards tightening contingent on the global backdrop. *The DE forecast is that rates will remain on hold at least until 2013 as global conditions dampen the outlook and inflation remains below target. The next BoC rate decision is October 23. The Monetary Policy Report will be released October 24.*

Canadian employment snaps back from weak July. The Canadian economy added 34,300 jobs in August (Consensus: +10,000; Decision Economics: +15,000), recovering from a weak July where 30,400 jobs were lost. However, the mix of jobs added in August was less than sterling. Full-time employment fell by 12,500 while part-time jobs increased by 46,700. While private-sector employment advanced 29,900, it has only added a total of 1,800 jobs in the past three months.

The last two employment reports were dominated by changes in part-time employment: -51,600 in July and +46,700 in August. The Canadian economy has only added 18,900 jobs in the past four months after adding 140,500 in March and April. With growth holding steady at 1.8% q/q annualized over the past three quarters, it is not surprising that the general trend of labor market improvements has also stalled. Hiring is likely to remain relatively muted over the coming months on the external uncertainties of the Fiscal Cliff in the U.S. and the contraction in the Eurozone.

The unemployment rate was unchanged at 7.3% (Consensus and Decision Economics: 7.3%).

Productivity declines as hours outpace output. Productivity fell 0.4% q/q in Q2 (Consensus -0.2%; Decision Economics: -0.3%), posting its first drop in four quarters, and lagging well behind the +0.6% q/q productivity gain in the U.S.. Real GDP advanced 0.5% q/q, while hours worked increased by 0.9%—its fastest gain in nine quarters. Compensation grew 0.3% q/q (Decision Economics: +0.4%) while unit labor costs increased 0.7% (Decision Economics: +0.7%). *The strong gain in hours worked is somewhat expected as the economy added 72,000 jobs in Q2—comparable to a +720,000 gain in U.S. payrolls—but GDP will have to pick up the pace for these strong employment gains to continue.*

Building permits show reduction in construction activity. Canadian building permits came in at C$6.8 billion in July, down 2.3% m/m (Consensus: -1%; Decision Economics: +4%) from a June which was revised upward by 2.5%. Declines were rather broad-based. Residential permits fell 2.4% on both single- and multiple-unit drops. As mortgage rules were recently tightened for the fourth time since the recession, policymakers will continue to watch these numbers for signs of cooling activity. Non-residential permits posted a -2.1% m/m print. The decline in non-residential permits was led by a drop in institutional projects (-25.2% m/m).

Business purchasing activity surprisingly strong. The Ivey PMI posted a 0.3 point decline (Consensus: -3.8 points; Decision Economics: -10.8 points) to 62.5 points in August. The three-month average increased 0.7 points to 58.1. Readings above 50 mean that the number of firms which said business improved exceeded the number citing deteriorating conditions. Of note, the employment index 4.3 points to 58.6.

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